



Mayor & Council of Berlin

10 William Street, Berlin, Maryland 21811

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www.berlinmd.gov



Mayor
Wm. Gee Williams, III

Vice President
Elroy Brittingham, Sr.

Council Members
Dean Burrell, Sr.
Lisa Hall
Paula Lynch
Troy Purnell

Town Attorney
David Gaskill

Town Administrator
Anthony J. Carson, Jr.

BERLIN, MARYLAND

MAYOR AND COUNCIL MEETING

MONDAY, FEBRUARY 13, 2012

**COUNCIL CHAMBERS – BERLIN TOWN HALL
10 WILLIAM STREET
BERLIN, MD 21811**

EXECUTIVE SESSION6:30 PM

REGULAR SESSION7:00 PM

Anyone having questions about the meetings mentioned above or needing special accommodations should contact Tony Carson, Town Administrator at (410) 641-4144

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**BERLIN MAYOR AND COUNCIL
COUNCIL MEETING
AGENDA
Monday, February 13, 2012**

6:30 PM EXECUTIVE SESSION - Berlin Conference Room

7:00 PM REGULAR SESSION – Berlin Town Hall Council Chambers

1. Approval of the Minutes for:
 Executive Session of the Mayor and Council on January 23, 2012
 Statement of Closure for Mayor and Council on January 23, 2012
 Regular Session of the Mayor and Council on January 23, 2012
2. Presentation – Worcester Youth and Family Counseling Services, Inc.
3. Motion to Approve- Youth Program Coordination Agreement with Worcester Youth and Family Counseling Services, Inc.
4. Request for EDU's – 113 North Main Street, Renaissance Plaza
5. Presentation – Dwight Davis, Booth & Associates
6. Discussion – Berlin ElectricTariff
 - a. Motion to approve filing of rate case with PSC
7. Motion to Approve - Contract with Nextera for Purchase Power beginning June 1, 2013 – May 31, 2015.
8. Introduction – Ordinance 2012-01
 An ordinance providing for the issuance and sale of an aggregate principal amount not to exceed \$5,100,000.00 of bonds known as the "Town of Berlin Infrastructure Bonds, 2012 Series A". Public Hearing to be held February 27, 2012.
- 9 Departmental Reports
 - a. Finance – Lynn Musgrave
 - b. Deputy Town Administrator – Mary Bohlen
 - c. Public Works – Mike Gibbons
 - d. Water Resources – Jane Kreiter
 - e. Electric – Tim Lawrence
 - f. Police – Arnold Downing
 - g. Planning and Zoning - Chuck Ward
 - h. Human Resources – Jeff Fleetwood
 - i. Economic and Community Development – Michael Day
10. Town Administrator's Report
11. Comments from the Mayor

12. Comments from the Council
13. Comments from the Public
14. Comments from the Press
15. Adjournment

MAYOR AND COUNCIL OF BERLIN, MARYLAND
Regular Session Council Minutes
Monday, January 23, 2012

The meeting of the Mayor and Council for Monday, January 23, 2012 was called to order by Mayor Williams at approximately 7:00 p.m. Councilmembers Lynch, Burrell, Brittingham and Hall were present, as well as Town Administrator Tony Carson, Human Resources Director Jeff Fleetwood, Finance Director Lynn Musgrave, Deputy Town Administrator Mary Bohlen, Economic and Community Development Director Michael Day, Water Resources Director Jane Kreiter, Planning and Zoning Director Chuck Ward, Electric Utility Director Tim Lawrence and Administrative Assistant Sharon Timmons. Councilmember Troy Purnell and Public Works Director Mike Gibbons were absent and Police Chief Arnold Downing arrived late to the meeting.

Following the recitation of the Lord's Prayer and the Pledge of Allegiance, Mayor Williams asked for a motion to approve the Executive Session Minutes of January 9, 2012. Councilmember Lynch made a motion to approve the minutes and the council voted to approve 4-0 with 1 absent. Mayor Williams stated that the Executive Session was closed for the consideration of the contents of a contract or bid. Mayor Williams continued by requesting approval of the Regular Session Minutes of January 9, 2012. Councilmember Brittingham made a motion to approve the minutes and council voted to approve 4-0 with 1 absent.

Olive Mawyer, Executive Director of the Berlin Chamber of Commerce came before the council requesting approval for the event and associated street closures for Spring Celebration to be held on Saturday, April 7th from 10 a.m. to 4 p.m. Councilmember Lynch made a motion to approve the event and council voted to approve 4-0 with 1 absent.

Ms. Mawyer continued with her request for approval of the event known as Jazz & Blues Bash to be held on Saturday, May 5th from 12 noon to 8:00 p.m. The event will have two stages, one located at the Atlantic Hotel with the other on Main Street by Cupcakes in Bloom. Ms. Mawyer continued by requesting approval for the Chamber of Commerce to be permitted to sell beer and wine at a tent to be located at Commerce Street and for approval of the suspension of the open container law within the designated area with boundaries. Councilmember Lynch inquired as to the number of annual events that the Chamber would be requesting the approval of alcohol and Ms. Mawyer stated five, those being Jazz & Blues, May Day Play Day, Fiddlers Convention and Octoberfest. Discussion followed. Chief Downing arrived at 7:11 p.m.

Councilmember Brittingham inquired about the processes, requirements and qualifications regarding permits from the County for alcohol. Discussion followed. Councilmember Brittingham made a motion to approve the event known as Jazz and Blues and council voted to approve 4-0 with 1 absent. Mayor Williams then asked for a motion for approval for the Chamber to sell beer and wine and the suspension of the open container law within the designated area. Councilmember Lynch made a motion to approve the sale of beer and wine by the Chamber of Commerce at the event and to the suspension of the open container law within the designated area pending approval from the liquor licensing commission and council voted to approve 4-0 with 1 absent.

Councilmember Lynch inquired if it would be possible for a representative from the Liquor License Commission to come before the council to explain the different licenses and how they function. Economic and Community Development Director Michael Day stated that he would contact them with the request, but felt they would probably just send written information. Discussion followed. Councilmember Hall inquired about the food vendors that were present. Mr. Day stated that there had been difficulty finding local food businesses willing to participate.

Vice President Brittingham requested approval for a Special Sunday Permit for the Duncan Showell American Legion Post 123 for February 5, 2012, Super Bowl Sunday from the hours of 1 p.m. to 10 p.m. Councilmember Burrell made a motion to approve the permit and council voted to approve 4-0 with 1 absent.

Mayor Williams stated that Item #5, request for an exception for a grease trap for the proposed restaurant at 104 North Main Street was tabled until a future meeting due to a request from the applicant.

Mayor Williams announced Item 3 "Motion to approve Net metering rider approved by the Public Service Commission" had not been voted on at the previous meetings due to the lack of a quorum of 3 since Councilmember Lynch would have to abstain. A quorum was in attendance this evening. Councilmember Burrell made a motion to approve the net metering rider and Councilmembers Hall, Burrell and Brittingham voted to approve 3-0 with Councilmember Lynch abstaining.

Mayor Williams explained the 3 year proposal from PKS & Company for audit services ending June 30, 2014. The cost for year 2012 would be \$29,250, \$30,125 for year 2013 and \$31,100 for year 2014. Councilmember Burrell made a motion to approve the 3 year proposal from PKS for auditing services and council voted to approve 4-0 with 1 absent.

Departmental reports began with Finance Director Lynn Musgrave reporting that the Finance department was working on classifying those properties which were considered rentals and verifying homestead credit status. She continued reporting that the slot revenues were doing well and that the council should have received the financials and the Profit and Loss statements. Mayor Williams reported that slot revenues of \$222,961.42 had been received over the first 12 months, General Fund revenues were \$335,696.00 above last year and expenditures were down \$80,781.00 from last year. Councilmember Lynch asked if a decision had been made regarding use of the slot revenues and Mayor Williams responded that the funds had been deposited into a special escrow account and after five years that money would be used to pay-off the land purchase. Discussion continued regarding use of the slot revenues and Councilmember Lynch asked for verification regarding the decision. Councilmember Hall questioned the numbers associated with the revenues and the expenditures. Ms. Musgrave explained. Councilmember Burrell requested that Ms. Musgrave send him the revenue and expenditure reports to him in an Excel format.

Deputy Director Mary Bohlen reported that the Parks Commission and Grow Berlin Green were working on the Community Clean-Up Day which was tentatively scheduled for April 21st.

Water Resources Director Jane Kreiter reported that her department was beginning the budget process. She continued reporting that the last phase of upgrade was slated to begin with a pre-construction meeting to take place in 2 weeks.

Electric Utility Director Tim Lawrence reported that the breaker replacement at the Savage Substation was complete. He continued reporting that the low pressure sodium light replacements would be starting again in the Branch Street area. He then explained the 3 year tree trimming schedule throughout town.

Police Chief Arnold Downing reported that his department was beginning to work on the FY13 budget. He continued reporting that they have been advised that CSAFE funding will not be available next year so they will be looking at different grants with "Safe Streets". Councilmember Brittingham inquired if the substation on Flower Street was still being utilized and Chief Downing stated "not on a 24 hour basis, but as needed" plus meeting times.

Planning and Zoning Director Chuck Ward reported that the Planning and Zoning Commission would be meeting this Wednesday at 6 p.m. and that a training session for the Historic District Commission is tentatively scheduled for June 2nd which would focus on laws and policies. He continued that he and

Carolyn Duffy had received certificates from CEZOA for training they received on code enforcement issues and the department has been very busy with permitting.

Human Resources Jeff Fleetwood reported that he had begun meeting with brokers and vendors regarding benefits and that a representative from Nationwide would be conducting a retirement work session the first week of February.

Economic and Community Development Director Michael Day reported there would be a ribbon cutting at 11 Pitts Street and continued with the various meetings he would be attending.

Town Administrator Tony Carson announced that an agreement had been reached with URS Corporation regarding Change Order 23. He then presented and requested approval of 6 purchase orders (201201892, 201101783, 201201771, 201201918, 201201958 and 201201959). Councilmember Lynch asked Mr. Carson to send a letter to Mr. Tilghman regarding submission of invoices. Councilmember Brittingham made a motion to approve all 6 purchase orders and council voted to approve 4-0 with 1 absent.

Mayor Williams asked for comments from the council. Councilmember Hall stated that she had attended the ESAM dinner last week and that MML was working to try and recoup some of the highway user funds for municipalities that had been previously cut. Councilmember Brittingham stated that the street sign on the corner of Route 113 and Franklin Avenue was missing. There being no further comments, Mayor Williams asked for comments from the public.

Mrs. Susan Moore of 319 South Main Street approached the Mayor and Council and stated her concerns on the derelict condition of a commercial property located on Main Street across from Cheers. Planning and Zoning Director Chuck Ward stated that contact had been made with the property owner and explained the procedures and timelines regarding the issuance of violations, civil citations and if necessary court appearances subject to this particular case. Mayor Williams thanked Mrs. Moore for bringing this issue to their attention. Mr. Ward read the letter sent to the property owner.

There being no further comments, Councilmember Burrell made a motion to adjourn and the meeting ended at 8:19 p.m.

Respectfully submitted,



Sharon Timmons

Administrative Assistant

ORDINANCE NO. 2012-01

**TOWN OF BERLIN
INFRASTRUCTURE BONDS, 2012 SERIES [A]**

AN ORDINANCE OF THE TOWN OF BERLIN, A MUNICIPAL CORPORATION OF THE STATE OF MARYLAND, PROVIDING FOR THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FIVE MILLION, ONE HUNDRED THOUSAND DOLLARS (\$5,100,000.00) OF BONDS OF TOWN OF BERLIN, MARYLAND, TO BE KNOWN AS "TOWN OF BERLIN, INFRASTRUCTURE BONDS, 2012 SERIES A", TO BE ISSUED AND SOLD PURSUANT TO THE AUTHORITY OF SECTIONS 4-101 THROUGH 4255 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED, FOR THE PURPOSE OF PROVIDING ALL OR A PORTION OF THE FUNDS NECESSARY FOR (I) FINANCING AND REFINANCING THE FOLLOWING PROJECTS: (1) ELECTRIC DISTRIBUTION SYSTEM 1988, (2) TOWN HALL 1998, (3) POWER PLANT GENERATOR NO. 2 AND 3 1999, (4) SPRAY IRRIGATION 1998, (5) POWER PLANT GENERATOR #1 1998 (II) FUNDING A PORTION OF A CAPITAL RESERVE FUND AND (III) PAYING ISSUANCE AND OTHER COSTS RELATED TO THE BONDS (AS HEREINAFTER DEFINED); PROVIDING THAT THE BONDS SHALL BE ISSUED UPON THE FULL FAITH AND CREDIT OF THE TOWN OF BERLIN; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS AND FOR THE LEVY OF ANNUAL TAXES UPON ALL ASSESSABLE PROPERTY WITHIN THE TOWN OF BERLIN FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL RESPECTIVELY MATURE; PROVIDING FOR THE FORM, TENOR, DENOMINATION, MATURITY DATE AND OTHER PROVISIONS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS; AND PROVIDING FOR RELATED PURPOSES, INCLUDING THE METHOD OF FIXING THE INTEREST RATE TO BE BORNE BY THE BONDS.

WHEREAS , the Town of Berlin (the "Issuer") is a municipal corporation of the State of Maryland organized and operating under a charter (the "Charter") adopted in accordance with Article XI-E of the Constitution of Maryland and Article 23A of the Annotated Code of Maryland, as amended; and

WHEREAS , Sections 4-101 through 4255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), authorizes the Community Development Administration (the "Administration"), an agency in the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland, to provide financial assistance to political subdivisions and municipal corporations to finance, among other things, infrastructure projects and to establish a capital reserve fund in connection therewith; and

WHEREAS , pursuant to the authority of the Act, the Issuer has determined to issue its general obligation bonds in the aggregate principal amount not to exceed Five Million, One Hundred Thousand Dollars (\$5,100,000.00) (the "Bonds" as defined herein) for the purpose of financing and refinancing the costs of: (1) electric distribution system 1988, (2) town Hall 1998, (3) power plant generator no. 2 and 3 1999, (4) spray irrigation 1998, (5) power plant generator #1 1998 (collectively, the "Project"), funding a portion of a capital reserve fund and paying issuance costs related to the Bonds; and

WHEREAS , the Issuer proposes to issue and sell the Bonds to the Administration, in connection with the Local Government Infrastructure Financing Program of the Administration (the "Program"); and

WHEREAS , it is the intention of the Issuer by this Ordinance to provide for the issuance and sale of the aforementioned Bonds and to obtain a loan from the Administration pursuant to the Program (the "Loan"); and

WHEREAS , the Issuer intends to authorize the execution and delivery the Bonds and all other documents, certificates and other materials related to the issuance, sale and delivery of the Bonds and the Loan; and

WHEREAS , the Administration intends to issue one or more series of its Local Government Infrastructure Bonds to finance the Loan and other loans to be financed pursuant to the Program.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Authorization, Terms, Form of Bonds.

(a) The Town of Berlin (the "Issuer") shall borrow upon its full faith and credit and shall issue and sell upon its full faith and credit an aggregate principal amount not to exceed Five Million, One Hundred Thousand Dollars (\$5,100,000.00) of its general obligation bonds, to be issued pursuant to the authority of Sections 4-101 through 4255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), to be known as the Town of Berlin Infrastructure Bonds, 2012 Series A", as such designation may be modified prior to issuance (the "Bonds"). The proceeds from the sale of the Bonds shall be used for the purpose of providing a portion of the funds necessary for financing and refinancing: (1) electric distribution system 1988, (2) town hall 1998, (3) power plant generator no. 2 and 3 1999, (4) spray irrigation 1998 (5) power plant generator #1 1998 (collectively, the "Project"), funding a portion of a capital reserve fund and paying issuance costs related to the Bonds.

(b) The Bonds shall be issued as one or more fully registered bond certificate(s) in the aggregate principal amount not to exceed Five Million, One Hundred Thousand Dollars (\$5,100,000.00) payable to the Community Development Administration (the "Administration") as the registered owner thereof. The Bonds shall be issued in such amount or such lesser amount as determined by the Mayor pursuant to subsection (g) below, which shall be equal to the principal amount of the loan to the Issuer from the Administration (the "Loan") under the Local Government Infrastructure Financing Program of the Administration (the "Program").

(c) The Bonds shall be dated as of the date of issue, or as of such other date as is specified by the Administration; shall be numbered from R-1 upward; shall be initially registered in the name of the Administration or its designee; shall bear interest from the date of issuance of the Local Government Infrastructure Bonds issued by the Administration (the "Administration's Bonds"), payable semiannually on May 1 and November 1, at such annual rate or rates and be payable in annual principal installments at the designated office of the Administration.

(d) The Bonds shall bear interest at an annual rate or rates of interest for a true interest cost not to exceed 2.80 percent for a loan with a maturity of six years, 2.90 percent for a loan with a maturity of nine years, 3.80 percent for a loan with a maturity of sixteen years, 3.90

percent for a loan with a maturity of seventeen years, the actual rate or rates of interest to be borne by the Bonds to be determined and established by the Mayor of the Town of Berlin acting pursuant to Section 1(g) of this Ordinance.

(e) The Bonds shall be in substantially the form set forth on Exhibit A attached hereto and made a part hereof, which form, together with all of the covenants and conditions therein contained, is hereby adopted by the Issuer as and for the form of obligation to be incurred by the Issuer and such covenants and conditions are hereby made binding upon the Issuer, including the promise to pay therein contained.

(f) The Bonds are to be issued in connection with the Program to finance a portion of the Project and to pay costs of issuance, bond insurance premiums and other related costs. Under the Program, the Issuer will enter into a Repayment Agreement and a Pledge Agreement with the Administration (respectively, the "Repayment Agreement" and the "Pledge Agreement"). The Issuer also will execute and deliver in connection with the issuance of the Bonds and the Program any additional documents, agreements, instruments and certificates requested by the Administration (which, together with the Repayment Agreement and the Pledge Agreement are herein referred to as the "Program Documents"). The Program Documents shall be in such form and shall contain such terms and conditions as shall be approved by the Mayor of the Town of Berlin and acceptable to the Administration.

(g) Because this Ordinance is being adopted before the details have been finalized for the financing pursuant to which the Administration will issue the Administration's Bonds (the "Administration Financing") that will fund the Loan to the Issuer under the Program, the Mayor of the Town of Berlin is hereby authorized to make such changes to the amount and form of the Bonds, including insertions therein or additions or deletions thereto, as may be necessary or appropriate to conform the terms of the Bonds to the terms of the financing to be provided to the Issuer under the Program. Without limiting the foregoing, it is presently contemplated that the Loan will be in an amount not to exceed \$5,100,000.00 in aggregate principal amount hereby authorized, subject to final approval by the Administration; accordingly, the Mayor of the Town of Berlin is specifically authorized: (i) to make changes to the principal amount of the Bonds in order to reflect the final principal of the Loan not to exceed \$5,100,000.00 as approved by the Administration and accepted by the Issuer, (ii) to authorize and approve an interest rate or rates and payment schedule reflecting the principal and interest payments with respect to the Bonds but not to exceed the maximum total interest cost to be borne by the Bonds as set forth in subsection (d) above.

(h) This borrowing shall be exempt from the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland, as amended.

(i) This borrowing is in conformance with and does not exceed any and all applicable debt limitations under the Charter.

Section 2. Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Mayor of the Town of Berlin, and the seal of the Issuer shall be affixed thereto or reproduced thereon and attested by the manual signature of the Town Administrator of the Issuer. The Program Documents shall be executed on behalf of the Issuer by an authorized official of the Town of Berlin. In the event any official whose signature appears on any of the Bonds or the Program Documents shall cease to be an official prior to the delivery of the Bonds or the Program Documents, or, in the event any official whose signature appears

on any of the Bonds or the Program Documents becomes an officer after the date of the issue, the Bonds or Program Documents shall nevertheless be valid and binding obligations of the Issuer in accordance with their terms. The Mayor of the Issuer is hereby authorized, empowered and directed to complete the applicable form of the Bonds and to make modifications, deletions, corrections or other changes thereto in any manner which the Mayor, in the Mayor's discretion, shall deem necessary or appropriate to complete the issuance and sale of the Bonds, as will not alter the substance thereof. The Mayor or other duly authorized official of the Issuer is hereby authorized, empowered and directed to complete the applicable form of the Program Documents and to make modifications, deletions, corrections or other changes thereto in any manner which such official, in the discretion of such official, shall deem necessary or appropriate to complete the execution and delivery of the Program Documents in accordance with the provisions of this Ordinance, as will not alter the substance thereof. The execution and delivery of the Bonds and the Program Documents by the duly authorized official shall be conclusive evidence of such official's approval of the form and substance thereof.

Section 3. Registration of Bonds. The Town Administrator shall act as registrar for the Bonds and shall maintain registration books for the registration and registration of transfer of the Bonds. No security or bond shall be required of the Town Administrator in the performance of the duties of registrar for the Bonds.

The Issuer may deem and treat the person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, premium, if any, of and interest on such Bond and for all other purposes.

Section 4. Prepayment. The Bonds are being issued in connection with the Program and will secure payment of the Administration's Bonds, which are being issued by the Administration to provide funds to purchase the Bonds from the Issuer. The Repayment Agreement limits the right of the Issuer to prepay the Bonds in accordance with restrictions upon the right of the Administration to redeem the Administration's Bonds. Accordingly, the Issuer may prepay the Bonds only in accordance with the provisions of the Repayment Agreement and the terms governing prepayments as set forth in the Bonds.

Section 5. Replacement of Mutilated, Lost, Stolen, or Destroyed Bonds. In case any Bond (a "Bond" being, for purposes of this Section, any one of the Bonds) shall become mutilated or be destroyed, lost or stolen, the Issuer may cause to be executed and delivered a new Bond of like date and tenor and bearing the same or a different number, in exchange and substitution for each Bond mutilated, destroyed, lost or stolen, upon the owner paying the reasonable expenses and charges of the Issuer in connection therewith and, in the case of any Bond being destroyed, lost or stolen, upon the owner filing with the Issuer evidence satisfactory to it that such Bond was destroyed, lost or stolen, and furnishing the Issuer with indemnity satisfactory to it. Any Bond so issued in substitution for a Bond so mutilated, destroyed, lost or stolen: (i) may be typewritten, printed or otherwise reproduced in a manner acceptable to the Administration, and (ii) shall constitute an original contractual obligation on the part of the Issuer under this Ordinance whether or not the Bond in exchange for which said new Bond is issued shall at any later date be presented for payment and such payment shall be enforceable by anyone, and any such new Bond shall be equally and proportionately entitled to the benefits of this Ordinance with all other like Bonds, in the manner and to the extent provided herein.

Section 6. Use of Proceeds. The proceeds of the Bonds shall be held and invested by the Administration in its sole discretion and shall be:

(a) Administered and disbursed by the Administration pursuant to the Repayment Agreement. The proceeds of the Bonds shall be used, when and as required, to pay Development Costs (as defined in the Repayment Agreement).

(b) After the Project has been completed and all Development Costs in connection therewith have been paid, any balance of the proceeds of the sale of the Bonds held by the Administration under the Repayment Agreement may be applied to the next maturing principal installment or prepayment of the Bonds, as permitted by the Administration.

Section 7. Covenants. The Issuer covenants with the Administration and for the benefit of the owners from time to time of the Bonds, that so long as the Bonds or installments of principal thereunder shall remain outstanding and unpaid:

(a) The Issuer will duly and punctually pay, or cause to be paid, to the Administration the principal of the Bonds, premium (if any) and interest accruing thereon, at the dates and places and in the manner mentioned in the Bonds from unlimited ad valorem taxes in the event that available funds are inadequate to make such payment.

(b) The Issuer covenants that so long as any of the Bonds are outstanding and not paid, unless other funds are available for payment of principal of, premium, if any, and interest on the Bonds, it shall levy annually, in the manner prescribed by law, a tax on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation, ad valorem taxes in rate and amount and sufficient, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable; and in the event that the revenues available from the taxes so levied in any fiscal year shall prove inadequate for the above purposes, the Issuer shall levy additional taxes in the succeeding fiscal year to make up such deficiency; and the full faith and credit and the unlimited taxing power of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due.

(c) The Issuer will promptly provide to the Administration (or to any person designated by the Administration) all financial information and operating data concerning the Issuer as may be required by the Administration in its discretion in order to comply with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, as in effect from time to time, applicable to the Administration's Bonds.

Section 8. Resolution a Contract. The provisions of this Ordinance shall constitute a contract with the purchasers and owners from time to time of the Bonds, and this Ordinance shall not be repealed, modified or altered in any manner materially adverse to the Administration and interests of such purchasers or owners while the Bonds or any portion thereof remain outstanding and unpaid without the consent of the owners of the Bonds and the Administration.

Section 9. Pledge of Local Government Payments. As contemplated and authorized by Section 4-229(b) of the Act, the Issuer hereby pledges, assigns and grants a security interest to the Administration, its successors in trust and assigns, all right title and interest of the Issuer in and to the Local Government Payments (as defined in the Pledge

Agreement), now or hereafter acquired, (i) to secure payment of the principal of, premium, if any, and interest on the Bonds and any other Local Obligations (as defined in the Pledge Agreement) issued and to be issued from time to time by the Issuer under the Program and (ii) to provide for deposits to the capital reserve fund securing the Bonds the amount of the Issuer's portion of any deficiency in such capital reserve fund as the Administration shall require, all as more fully set forth and provided in the Pledge Agreement.

Section 10. Purchase Price of Bonds. The Bonds shall be sold for cash in accordance with the terms and provisions of this Ordinance at par, or if discount is permitted by law, at such discount as is agreed with the Administration in accordance with the terms and provisions of this Ordinance, and as authorized by Section 4-229(a) of the Act.

Section 11. Sale of Bonds. The Bonds shall be sold to the Administration under the Program at private sale, as authorized by Section 4-229(a) of the Act.

Section 12. Authority to Take Action; Publication and Public Hearing.

(a) The officers and employees of the Issuer are hereby authorized and directed to do all acts and things required of them by the provisions of this Ordinance, for the full, punctual and complete performance of all the terms, covenants and provisions of the Bonds, the Program Documents and this Ordinance and to do and perform all acts and to execute, seal and deliver all documents or instruments of writing which may be necessary or desirable to carry out the full intent and purpose of this Ordinance and the Program Documents.

(b) As required by the Act, prior to the issuance of the Bonds, the Issuer shall publish in a newspaper of general circulation in the jurisdiction of the Issuer a notice of the proposed issuance of the Bonds, which notice shall include the proposed amount of the issue, the nature of the project to be financed, the time and place of the public hearing, the name of the person(s) and address of the place where written comments may be sent, and the Issuer shall hold a public hearing on the proposed issuance of the Bonds. Such actions may be (or have been) taken prior to or simultaneously with the adoption of this Ordinance.

Section 13. Tax Matters

(a) The Mayor and/or the Finance Director shall be the officers of the Issuer responsible for the issuance of the Bonds within the meaning of the Arbitrage Regulations (defined herein). The Mayor and/or the Finance Director shall also be the officers of the Issuer responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the Issuer (the 'Section 148 Certificate') which complies with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended ("Section 148"), and the applicable regulations thereunder (the "Arbitrage Regulations"), and such official is hereby directed to execute the Section 148 Certificate and to deliver the same to the Administration on the date of the issuance of the Bonds.

(b) The Issuer shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any monies, securities or other obligations to the credit of any account of the Issuer which may be deemed to be proceeds of the Bonds pursuant to Section 148 or the Arbitrage

Regulations (collectively, "Bond Proceeds"). The Issuer covenants that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the Issuer's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the certifying officials, knowledge, true and correct as of that date.

(c) The Issuer covenants and agrees with each of the holders of any of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 and the regulations thereunder which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

(d) The Issuer further covenants that it shall make such use of the proceeds of the Bonds, regulate the investment of the proceeds thereof; and take other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. All officers, employees and agents of the Issuer are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the Issuer's compliance with, the covenants set forth in this Section.

(e) The Mayor and/or the Finance Director, on behalf of the Issuer, may make such covenants or agreements in connection with the issuance of Bonds issued hereunder as such officer(s) shall deem advisable in order to assure the registered owners of such Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the Issuer so long as the observance by the Issuer or any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest on such Bonds from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the Issuer regarding compliance with the provisions of the Internal Revenue Code of 1986, as amended, as the Mayor or Finance Director shall deem advisable in order to assure the registered owners of such Bonds that the interest thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the investment of the proceeds of such Bonds, the payment of rebate (or payments in lieu of rebate) to the United States, limitations on the times within which, and the purpose for which, such proceeds may be expended, or the use of specified procedures for accounting for and segregating such proceeds.

Section 14. Effective Date; Miscellaneous. This Ordinance shall take effect from the date of its adoption, and it is the intent hereof that the laws of the State of Maryland shall govern its construction and the construction of the Bonds. Any copy of this Ordinance duly certified by the Town Administrator or the Town Administrator's successor in office shall constitute evidence of the contents and provisions hereof.

ADOPTED THIS _____ DAY OF _____, 20__ BY THE MAYOR AND
COUNCIL OF THE TOWN OF BERLIN, MARYLAND BY AFFIRMATIVE VOTE OF _____ TO
_____ OPPOSED.

APPROVED THIS _____ DAY OF _____, 20__

Mayor

ATTEST: _____
Town Administrator

Exhibit A. – Form of Bond

TOWN ADMINISTRATOR'S REPORT
02-13-12

Purchase Orders

PO# 201202033 in the amount of \$2,539.35 to Water Testing Labs for yearly nitrates and bacteria analysis.

PO# 201202030 in the amount of \$10,353.00 to Schweitzer Engineering for replacement relay for Savage Substation. To be submitted for Bid Bond Proceeds.

PO# 201202014 in the amount of \$7,225.00 to DDU Magnetics for Savage Substation breaker replacement and associated expenses. To be submitted for Bid Bond Proceeds.

PO# 201202048 in the amount of \$1,200.00 to MD/DC Utility Association for 2012 membership dues.

PO# 201202029 in the amount of \$1,500.00 to All Traffic Solutions for annual warranty and subscription.

PO# 201202046 in the amount of \$4,951.24 to L/B Water Service for replacement meters.

PO# 201202103 in the amount of \$5,244.27 to L/B Water Service for meter for Atlantic General Hospital.

PO# 201202110 in the amount of \$3,254.16 to Rudox Engine & Equipment for parts for injectors.

PO# 201202137 in the amount of \$6,690.00 to Toth Distribution Service for Brochure distribution.

Updates